



1ST QUARTER REPORT
September 30, 2011

DANDOT CEMENT COMPANY LIMITED

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Muhammad Rasheed (Chairman)
Mrs. Tanveer Rasheed
Mr. Mansoor Rasheed (Chief Executive)
Mr. Saud Rasheed
Ms. Rizwana Rasheed
Mrs. Ayesha Mansoor
Mrs. Amina Saud

AUDIT COMMITTEE

Mr. Saud Rasheed (Chairman)
Mrs. Ayesha Mansoor
Mrs. Amina Saud

CHIEF FINANCIAL OFFICER

Mr. Muhammad Kamran

COMPANY SECRETARY

Mr. Muhammad Kamran

STATUTORY AUDITORS

Amin, Mudassar & Co.
Chartered Accountants

LEGAL ADVISOR

International Legal Services

BANKERS

The Bank of Punjab
KASB Bank Limited
United Bank Limited
National Bank of Pakistan
Habib Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited

REGISTERED OFFICE

30-Sher Shah Block, New Garden Town, Lahore.
Telephone: 042-35869827, 35842316, Fax: 042-35831846

FACTORY

DANDOT R.S., Distt. Jhelum.
Telephone: 0544-211371, 211491, Fax: 0544-211490

SHARE REGISTRAR

Corplink (Pvt.) Ltd.
Wings Arcade 1-K-Commerical, Model Town, Lahore.
Telephone: 042-35839182, 35887262, Fax: 042-35869037

WEBSITE

www.dandotcement.com

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Board of Directors presents the un-audited condensed interim financial statements of the company for the quarter ended September 30, 2011.

Operational Performance

During the year under review the operational performance of the company has improved from last year due to the reason of resumption of operations of the company during the year which were suspended since October, 2009.

Operating Results

The comparative financial results of the company for the quarter are summarized as below:

Particulars	Sep. 2011	Sep. 2010
	(Rupees in thousands)	
- Net sales	260,340	-
- Gross loss	95,130	61,974
- Operating Loss	103,840	65,648
- Net loss	105,322	120,556

Future Prospects

Industry:

Reduction in excise duty and sales tax announced in the budget 2011-12 is likely to have a positive impact on the cement consumption in the country. Domestic demand is picking up with the commencement of reconstruction activities in the flood affected areas of the country. The reconstruction work is expected to last for a couple of years which would contribute well for the growth in cement consumption in the near term. However, prevailing economic conditions is not encouraging due to geo-political instability, out of control inflation, deteriorating Pak Rupee valuation, power shedding, rising utility prices and liquidity crunch.

Company:

Energy efficiency, Labour efficiency & productivity and right financial modeling, smooth plant operations are key factors to success of any cement plant. The management is committed for a balanced delivery of long term values to all stake holders including financiers, employees and shareholders.

Acknowledgement

The board of directors is thankful to all stakeholders including but not limited to bankers, suppliers, distributors, employees as well as regulators and shareholders for their continued support, cooperation and trust especially in crises tenure faced by the company in the current period.



MANSOOR RASHEED

Chief Executive

Lahore: February 21, 2012.

Condensed Interim Balance Sheet

	(Un-Audited) Sep. 30, 2011	(Audited) June 30, 2011
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital	1,000,000	1,000,000
Issued, subscribed and paid up capital	948,400	948,400
Share premium reserve	31,801	31,801
Accumulated loss	(2,967,729)	(2,876,726)
	(1,987,528)	(1,896,525)
Surplus on revaluation of fixed assets	1,124,398	1,138,718
	(863,130)	(757,807)
NON CURRENT LIABILITIES		
Loan from banking companies	1,020,000	1,020,000
Other loans	365,136	365,995
Liabilities against assets subject to finance lease	-	-
Deferred liabilities	-	-
Long term advances and deposits	1,819	1,983
	1,386,955	1,387,978
CURRENT LIABILITIES		
Trade and other payables	1,134,409	1,050,948
Mark-up accrued	679,124	677,881
Short term borrowings	485,443	488,367
Current portion of long term loans and liabilities	62,343	62,343
Taxation	-	-
	2,361,319	2,279,539
CONTINGENCIES AND COMMITMENTS		
	-	-
	2,885,144	2,909,710



MANSOOR RASHEED
Chief Executive

As at September 30, 2011

	(Un-Audited) Sep. 30, 2011	(Audited) June 30, 2011
Note	(Rupees in thousand)	
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	2,138,673	2,155,354
Operating fixed assets	-	-
Capital work in progress	2,138,673	2,155,354
Long term loans	44	56
Long term security deposits	22,435	20,435
	2,161,152	2,175,845
CURRENT ASSETS		
Stores, spares and loose tools	136,235	139,953
Stock in trade	98,161	92,445
Trade Debts	13,238	17,971
Loans and advances	416,556	427,684
Trade deposits and short term prepayments	-	-
Balance with statutory authorities	45,690	42,439
Interest accrued	9,389	9,389
Other receivables	261	261
Cash and bank balances	4,462	3,723
	723,992	733,865
	2,885,144	2,909,710

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.


SAUD RASHEED
 Director

Condensed Interim Profit And Loss Account (Un-Audited)

For the Quarter ended September 30, 2011

	Quarter Ended	
	Sep. 30, 2011	Sep. 30, 2010
	(Rupees in thousand)	
Sales - net	260,340	-
Cost of sales	355,470	61,974
Gross loss	(95,130)	(61,974)
Operating expenses:		
Administrative expenses	7,890	3,577
Distribution cost	820	97
	(8,710)	(3,674)
Operating loss for the period	(103,840)	(65,648)
Finance cost	(1,499)	(63,858)
Other income	17	8,950
Loss before taxation	(105,322)	(120,556)
Taxation:		
Current - For the period	-	-
Deferred	-	-
	-	-
Net loss for the period	(105,322)	(120,556)
Loss per share - Basic & Diluted	(1.11)	(1.27)

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.



MANSOOR RASHEED
Chief Executive




SAUD RASHEED
Director

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Quarter ended September 30, 2011

	Quarter Ended	
	Sep. 30, 2011	Sep. 30, 2010
	(Rupees in thousand)	
Net loss for the period	(105,322)	(120,556)
Other comprehensive income - net of taxation	-	-
Total comprehensive loss for the period - net of tax	<u>(105,322)</u>	<u>(120,556)</u>

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.



MANSOOR RASHEED
Chief Executive



SAUD RASHEED
Director

Condensed Interim Cash Flow Statement (Un-Audited)

For the Quarter ended September 30, 2011

	Quarter Ended	
	Sep. 30, 2011	Sep. 30, 2010
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(105,322)	(120,556)
Adjustments of items not involving movement of cash:		
Depreciation	18,106	18,867
Finance cost	1,498	63,857
	19,604	82,724
Operating cash flows before working capital changes	(85,718)	(37,832)
(Increase)/Decrease in operating asset:		
Stores, spares and loose tools	3,718	-
Stock in trade	(5,717)	-
Trade Debts	4,732	-
Loans and advances	11,324	(1,839)
Deposits and short term prepayments	(195)	-
Other receivables	-	(94)
Increase in trade and other payables	83,460	28,634
	97,322	26,701
	11,604	(11,131)
Long term security deposit	(164)	7
Gratuity paid	-	-
Finance cost paid	(254)	(5)
Income tax paid	(3,249)	(47)
Net Cash Flows From operating activities	7,937	(11,176)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,426)	-
Sale proceed of Fixed Assets	-	-
Long term loans	(1,989)	(138)
Net Cash Flows From investing activities	(3,415)	(138)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term advances and deposits	(859)	(421)
Short term borrowings	(2,924)	15,229
Net Cash Flows From financing activities	(3,783)	14,808
Net Increase /(Decrease) in Cash and Cash Equivalents	739	3,494
Cash and cash equivalents at beginning of the period	3,723	3,790
Cash and cash equivalents at end of the period	4,462	7,284

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.



MANSOOR RASHEED
Chief Executive



SAUD RASHEED
Director

Condensed Interim Statement of Changes in Equity (Un-Audited)

For the Quarter ended September 30, 2011

	SHARE CAPITAL	SHARE PREMIUM RESERVE	ACCUMULATED LOSS	TOTAL SHARE CAPITAL AND RESERVES	SURPLUS ON REVALUATION OF FIXED ASSETS	TOTAL
	(Rupees in thousand)					
Balance as at June 30, 2010	948,400	31,801	(2,576,474)	(1,596,273)	1,177,629	(418,644)
Total comprehensive loss for the quarter ended September 30, 2010	-	-	(120,556)	(120,556)	-	(120,556)
Incremental depreciation due to revaluation charged to surplus	-	-	14,966	14,966	(14,966)	-
Balance as at September 30, 2010	<u>948,400</u>	<u>31,801</u>	<u>(2,682,064)</u>	<u>(1,701,863)</u>	<u>1,162,663</u>	<u>(539,200)</u>
Balance as at June 30, 2011	948,400	31,801	(2,876,727)	(1,896,526)	1,138,718	(757,808)
Total comprehensive loss for the quarter ended September 30, 2011	-	-	(105,322)	(105,322)	-	(105,322)
Incremental depreciation due to revaluation charged to surplus	-	-	14,320	14,320	(14,320)	-
Balance as at September 30, 2011	<u>948,400</u>	<u>31,801</u>	<u>(2,967,729)</u>	<u>(1,987,528)</u>	<u>1,124,398</u>	<u>(863,130)</u>

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.



MANSOOR RASHEED
Chief Executive



SAUD RASHEED
Director

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the Quarter ended September 30, 2011

1. THE COMPANY AND ITS OPERATIONS

The Company is a public limited company incorporated in Pakistan and is listed on Karachi and Lahore Stock Exchanges. The Company started its production on March 01, 1983 and has been engaged in production and making of cement. The company is a subsidiary of Three Stars Cement (Pvt.) Limited.

Due to poor economic conditions, low prices of cement and financial crunch, operations of the company were suspended last year. However, in October 2010, with the increase in price and demand of cement and after arrangement of necessary funds by the management, the operations of the company were resumed.

2. STATEMENT OF COMPLIANCE

These financial statements are un-audited and have been prepared in accordance with International Financial Reporting Standard 'IAS-34 - Interim Financial Reporting' and should be read in conjunction with the Annual Financial Report for the year ended June 30, 2011. These are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

3. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these financial statements are the same as those adopted in preparation of financial statements for the year ended June 30, 2011.

4. SIGNIFICANT ESTIMATES

The preparation of these financial statements requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and related disclosures at the date of financial statements. Actual results may differ from these estimates. In preparing these financial statements, the significant judgments made by management in applying accounting policies. Key estimates and uncertainty includes, but not limited to:

- Depreciation methods, residual values and useful life of depreciable assets
- Taxation
- Provisions and Contingencies

5. CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies and commitments of the company since the last audited annual balance sheet date.

6. TRANSACTION WITH RELATED PARTIES

There is no significant transactions with related parties during the period.

7. CORRESPONDING FIGURES

Figures have been rounded off to the nearest thousand of Rupees.

8. DATE OF AUTHORIZATION FOR ISSUE

These un-audited condensed interim financial statements were authorized for issue by the board of directors of the company on February 21, 2012.



MANSOOR RASHEED
Chief Executive



SAUD RASHEED
Director